

ASPIRA, INC. OF NEW JERSEY  
FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 1991  
AND SUPPLEMENTARY INFORMATION  
AND AUDITOR'S REPORT

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AND AUDITOR'S REPORT

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SOL MASCH & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

1820 GRAND AVENUE

BALDWIN, NEW YORK 11510

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

Board of Directors  
Aspira, Inc. of New Jersey

We have audited the accompanying balance sheet of Aspira, Inc. of New Jersey as of June 30, 1991, and the related statement of support, revenue and expenses and changes in fund balances, changes in financial position, and functional expenses for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Aspira, Inc. of New Jersey as of June 30, 1991, and the results of its operations and the changes in its fund balances and its financial position for the year then ended, in conformity with generally accepted accounting principles.

*Sol Masch & Company*

Baldwin, New York  
October 4, 1991

ASPIRA, INC. OF NEW JERSEY

BALANCE SHEET

JUNE 30, 1991

	<u>CURRENT FUNDS</u>		<u>FIXED</u>	<u>TOTAL</u>
	<u>Unrestricted</u>	<u>Restricted</u>	<u>ASSET</u>	<u>ALL</u>
			<u>FUND</u>	<u>FUNDS</u>
<u>A S S E T S</u>				
Cash	\$ 237,895	\$ 17,520	-	\$ 255,415
Grants receivable	-	58,284	-	58,284
Due from The Aspira Association, Inc. (Note 4)	-	23,840	-	23,840
Property, equipment and improvements (net) (Note 1)	-	4,780	40,727	45,507
Other assets (Note 2)	8,197	600	-	8,797
Interfund transfer	(15,276)	15,276	-	-
	<u>\$ 230,816</u>	<u>\$ 120,300</u>	<u>\$ 40,727</u>	<u>\$ 391,843</u>

L I A B I L I T I E S   A N D   F U N D   B A L A N C E S

Accounts payable and accrued expenses	\$ 3,939	\$ 2,043	-	\$ 5,982
Grant advances	10,130	106,056	-	116,186
Due to The Aspira Association, Inc. (Note 4)	-	7,464	-	7,464
Total liabilities	14,069	115,563	-	129,632
Building fund (Note 5)	86,084	-	-	86,084
Fund balances	<u>130,663</u>	<u>4,737</u>	<u>40,727</u>	<u>176,127</u>
	<u>\$ 230,816</u>	<u>\$ 120,300</u>	<u>\$ 40,727</u>	<u>\$ 391,843</u>

The accompanying notes are an integral part of  
these financial statements.

ASPIRA, INC. OF NEW JERSEY

STATEMENT OF SUPPORT, REVENUE AND EXPENSES

AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 1991

	<u>CURRENT FUNDS</u>		<u>FIXED ASSET FUND</u>	<u>TOTAL ALL FUNDS</u>
	<u>Unrestricted</u>	<u>Restricted</u>		
Public Support, Grants and Revenue:				
Corporations and foundations	\$ 188,725	\$ 144,817	\$ 4,194	\$ 337,736
Government grants	10,000	277,596	-	287,596
Transfers from The Aspira Association, Inc. (Note 4)	-	70,898	-	70,898
Community, including United Way (Note 6)	41,946	62,000	-	103,946
Miscellaneous	9,617	-	-	9,617
Transfers of administrative overhead	<u>9,061</u>	<u>(9,061)</u>	<u>-</u>	<u>-</u>
Total public support, grants and revenue	259,349	546,250	4,194	809,793
Expenses:				
Program Services:				
Health career opportunities	742	44,216	-	44,958
Math and science programs	-	75,445	-	75,445
Other career and educational counseling	<u>20,369</u>	<u>427,801</u>	<u>-</u>	<u>448,170</u>
Total program services	21,111	547,462	-	568,573
Supporting Services:				
Management and general	163,035	-	22,907	185,942
Fund raising	<u>67,932</u>	<u>-</u>	<u>499</u>	<u>68,431</u>
Total supporting services	<u>230,967</u>	<u>-</u>	<u>23,406</u>	<u>254,373</u>
Total expenses	<u>252,078</u>	<u>547,462</u>	<u>23,406</u>	<u>822,946</u>
Excess (Deficiency) of public support, grants and revenue over expenses	7,271	(1,212)	(19,212)	(13,153)
Transfers from (to) other funds	40	(40)	-	-
Transfers to building fund	(86,084)	-	-	(86,084)
Fund balances, beginning of period	<u>209,436</u>	<u>5,989</u>	<u>59,939</u>	<u>275,364</u>
Fund balances, end of period	<u>\$ 130,663</u>	<u>\$ 4,737</u>	<u>\$ 40,727</u>	<u>\$ 176,127</u>

The accompanying notes are an integral part of  
these financial statements.

ASPIRA, INC. OF NEW JERSEY  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 1991

	P R O G Health career opportunities -----	R A M Math and science -----
Salaries	\$ 36,728	\$ 38,407
Payroll taxes and fringe benefits	<u>5,886</u>	<u>7,960</u>
Total salaries and related costs	42,614	46,367
Board activities and meetings	-	-
Contributions and community support	-	-
Educational and program materials	352	1,161
Insurance	-	-
Interest	-	-
Occupancy, utilities and maintenance	1,071	7,702
Printing and publications	-	350
Professional fees and contractual services	-	7,776
Program activities, seminars and workshops	336	2,397
Scholarships and stipends	348	3,314
Supplies and equipment rental	-	1,460
Telephone and postage	-	2,602
Travel and meetings	237	2,316
Miscellaneous	<u>-</u>	<u>-</u>
Total expenses before depreciation and amortization	44,958	75,445
Depreciation and amortization	<u>-</u>	<u>-</u>
	<u>\$ 44,958</u>	<u>\$ 75,445</u>

The accompanying notes are an integral part of  
these financial statements.

S E R V I C E S	----- SUPPORTING SERVICES -----				TOTAL
Other career and educational counseling	Total	Management and general	Fund raising	Total	EXPENSES
	-----	-----	-----	-----	-----
\$ 239,617	\$ 314,752	\$ 45,561	\$ 18,115	\$ 63,676	\$ 378,428
<u>53,028</u>	<u>66,874</u>	<u>11,999</u>	<u>1,793</u>	<u>13,792</u>	<u>80,666</u>
292,645	381,626	57,560	19,908	77,468	459,094
-	-	1,457	-	1,457	1,457
-	-	728	-	728	728
3,011	4,524	-	-	-	4,524
1,450	1,450	6,730	-	6,730	8,180
-	-	70	-	70	70
38,431	47,204	28,397	3,437	31,834	79,038
548	898	1,988	11,947	13,935	14,833
41,319	49,095	42,752	24,282	67,034	116,129
10,633	13,366	-	-	-	13,366
23,135	26,797	-	-	-	26,797
11,562	13,022	9,746	3,292	13,038	26,060
9,174	11,776	6,532	5,066	11,598	23,374
14,022	16,575	6,852	-	6,852	23,427
<u>-</u>	<u>-</u>	<u>223</u>	<u>-</u>	<u>223</u>	<u>223</u>
445,930	566,333	163,035	67,932	230,967	797,300
<u>2,240</u>	<u>2,240</u>	<u>22,907</u>	<u>499</u>	<u>23,406</u>	<u>25,646</u>
<u>\$ 448,170</u>	<u>\$ 568,573</u>	<u>\$ 185,942</u>	<u>\$ 68,431</u>	<u>\$ 254,373</u>	<u>\$ 822,946</u>

ASPIRA, INC. OF NEW JERSEY

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEAR ENDED JUNE 30, 1991

	<u>CURRENT FUNDS</u>		<u>FIXED</u>	<u>TOTAL</u>
	<u>Unrestricted</u>	<u>Restricted</u>	<u>ASSET</u>	<u>ALL</u>
			<u>FUND</u>	<u>FUNDS</u>
Resources Provided:				
From Operations:				
Excess (Deficiency) of public support, grants and revenue over expenses	\$ 7,271	\$ (1,212)	\$ (19,212)	\$ (13,153)
Transfers from (to) other funds	40	(40)	-	-
Transfers to building fund	(86,084)	-	-	(86,084)
Add: Items not using resources, depreciation and amortization	-	2,240	23,406	25,646
Resources provided from operations	(78,773)	988	4,194	(73,591)
Other Resources Provided:				
Decrease In:				
Grants receivable	1,000	10,626	-	11,626
Interfund transfer	-	9,188	-	9,188
Increase In:				
Other assets	2,756	500	-	3,256
Grant advances	130	-	-	130
Due from The Aspira Association, Inc.	-	2,673	-	2,673
Building fund	86,084	-	-	86,084
Total resources provided	11,197	23,975	4,194	39,366
Resources Used:				
Increase in interfund transfer	9,188	-	-	9,188
Decrease In:				
Accounts payable and accrued expenses	1,275	3,169	-	4,444
Accrued payroll taxes	1,047	-	-	1,047
Grant advances	-	29,115	-	29,115
Acquisition of property, equipment and improvements	-	1,592	4,194	5,786
Total resources used	11,510	33,876	4,194	49,580
Increase (Decrease) in cash	<u>\$ (313)</u>	<u>\$ (9,901)</u>	<u>-</u>	<u>\$ (10,214)</u>

The accompanying notes are an integral part of these financial statements.



ASPIRA, INC. OF NEW JERSEY

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

YEAR ENDED JUNE 30, 1991

Aspira, Inc. of New Jersey is a not for profit corporation organized under the laws of the State of New Jersey on December 26, 1968 and is exempt from paying corporate income taxes under Section 501 (c) (3) of the U.S. Internal Revenue Code. It is classified as other than a private foundation.

**Contributions and Grants:**

Contributions are recorded upon notification by the donor. Grants are recorded on either a cost-reimbursement basis, to the extent that funds are expended in accordance with approved budget purposes, or on the basis of performance under the grant contract. Grant funds received in excess of recognizable income are designated for use in future periods and are recorded as grant advances. Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Grant funds are restricted to uses specified in the grant contracts.

**Donated Materials:**

Donated materials and equipment are reflected as contributions in the accompanying statements at their estimated values at date of receipt.

**Cash and Interfund Transfer:**

The agency maintains four checking accounts, two of which pool funds for restricted and unrestricted use. The accountability for cash is maintained through the use of interfund accounts which reflect the cash available to each fund.

**Property, Equipment Improvements and Depreciation and Amortization:**

The cost of property and equipment is depreciated over the estimated useful lives of the related assets. The cost of leasehold improvements is amortized over the lesser of the length of the related leases or the estimated useful lives of the assets. Depreciation is computed on the straight-line method.

ASPIRA, INC. OF NEW JERSEY  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1991

	<u>CURRENT FUNDS</u>		<u>FIXED ASSET</u>	<u>TOTAL</u>
	<u>Unrestricted</u>	<u>Restricted</u>	<u>FUND</u>	<u>ALL FUNDS</u>
1 <u>Property, equipment and improvements (net)</u>				
Office equipment	-	\$ 28,178	\$ 114,094	\$ 142,272
Leasehold improvements	-	-	9,955	9,955
	-	28,178	124,049	152,227
Less: Accumulated depreciation and amortization	-	23,398	83,322	106,720
	-	\$ 4,780	\$ 40,727	\$ 45,507

Acquisitions during the year amounted to \$5,786, of which \$4,194 was donated. Depreciation and amortization expense amounted to \$25,646.

2 Other assets

Due from Aspira of Florida, Inc.	\$ 1,000	-	-	\$ 1,000
Other receivables	125	-	-	125
Security deposits	5,000	600	-	5,600
Prepaid expenses	2,072	-	-	2,072
	\$ 8,197	\$ 600	-	\$ 8,797

Aspira of Florida, Inc. is an affiliate of The Aspira Association, Inc.  
 (Note 4)

3 Commitments and contingencies

Property, equipment and improvements on which donor-imposed restrictions or conditions exist are recorded in the donor-restricted fund. The various funding sources may retain a reversionary interest in the property and equipment purchased with their funds, as well as the right to determine the use of any proceeds from the sale of such assets.

The agency is subject to financial and compliance audits by regulatory agencies which may result in disallowance or adjustments to expenditures. Disallowances, if any, may result in the return of portions of restricted grants to the respective funding sources.

(Continued on next page.)

ASPIRA, INC. OF NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1991

3 (Continued from previous page.)

The programmatic records of two restricted grants indicate that the performance levels contracted for by the grantor, the State of New Jersey Department of Community Affairs, have not been met by the agency. Management has no indication as to whether or not the Department will take any action in connection therewith.

The agency leases office equipment and office space under operating leases expiring between 1992 and 1996.

Minimum future rental payments under non-cancelable operating leases having remaining terms in excess of one year as of June 30, 1991, for each of the next five years and in the aggregate are:

Year ended June 30:	
1992	\$ 21,141
1993	21,049
1994	17,286
1995	12,086
1996	<u>2,011</u>
Total minimum future rental payments	<u>\$ 73,573</u>

Rental expense for the year amounted to \$60,755.

4 Associated organization

The agency is an associate of The Aspira Association, Inc., an organization with which the agency subcontracts certain grant programs. During the year, a total of \$46,477 was transferred by The Aspira Association, Inc., in the form of subcontracted grants received from the U.S. Department of Health and Human Services and the Pew Memorial Trust, to fund the Health Career Opportunities program. A Total of \$24,421 in subcontracted grants received from the U.S. Department of Education and the Ford Foundation, was transferred to fund Other Career and Educational Programs.

ASPIRA, INC. OF NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1991

5 Building fund

The Board of Directors has decided to appropriate the results of the several prior and current year fund raising events towards the acquisition of an office building. (Note 3) The appropriations were made from the unrestricted fund. Total appropriations to date amount to \$86,084.

6 Unrestricted revenue

The unrestricted amount of Community revenue includes the results of the following fund raising events:

Luncheon:		
Revenue	\$ 32,425	
Less: Direct expenses	<u>9,792</u>	
		\$ 22,633
Carnival:		
Revenue	24,088	
Less: Direct expenses	<u>11,305</u>	
		12,783
Current year collections made on prior year events		<u>1,263</u>
		<u>\$ 36,679</u>

7 Subsequent events

The building currently being leased as the agency's main office contains an option to purchase the building in the lease. The option was exercised subsequent to June 30, 1991 by a related party foundation. The purchase price together with the repairs and improvements contemplated is expected to approximate \$1,200,000.

SOL MASCH & COMPANY

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1830 GRAND AVENUE

BALDWIN, NEW YORK 11510

INDEPENDENT AUDITOR'S REPORT ON  
SCHEDULE OF FEDERAL AWARDS

To the Board of Directors of  
Aspira, Inc. of New Jersey

We have audited the basic financial statements of Aspira, Inc. of New Jersey (a nonprofit organization), for the year ended June 30, 1991, and have issued our report thereon dated October 4, 1991. We conducted our audit in accordance with generally accepted auditing standards, the Government Auditing Standards issued by the Comptroller General of the United States, and OMB Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Organizations."

The audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of federal financial assistance is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Sol Masch + Company*

Baldwin, New York  
4 October 1991

ASPIRA, INC. OF NEW JERSEY  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
YEAR ENDED JUNE 30, 1991

<u>PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>DISBURSEMENTS/ EXPENDITURES</u>
<u>Other Federal Assistance</u>		
Federal, state, and local partnerships for education improvement	84.151	\$ 47,418
School dropout demonstration assistance	84.201	9,092
Health careers opportunity program	93.822	39,333
TOTAL		=====
		\$ 95,843
		=====

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1830 GRAND AVENUE

BALDWIN, NEW YORK 11510

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
STRUCTURE REQUIRED BY OMB CIRCULAR A-133

To the Board of Directors  
Aspira, Inc. of New Jersey

We have audited the financial statements of Aspira, Inc. of New Jersey (a nonprofit organization) for the year ended June 30, 1991, and have issued our report thereon dated October 4, 1991.

We conducted our audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Organizations." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing our audit of the financial statements of Aspira, Inc. of New Jersey for the year ended June 30, 1991, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

During the year ended June 30, 1991, Aspira, Inc. of New Jersey had no major federal financial assistance programs and expended 100% of its total federal financial assistance under the following nonmajor federal financial assistance programs: Federal, state, and local partnerships for education improvement; School dropout demonstration assistance; and Health careers opportunity program. As required by OMB Circular A-133, our consideration of the internal control structure also included--

1. Test of controls to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to the

aforementioned nonmajor programs. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

2. Obtaining an understanding of (a) the design of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to the Organization's other nonmajor federal financial assistance programs and (b) whether they have been placed in operation.

The management of Aspira, Inc. of New Jersey is responsible for establishing and maintaining internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories: treasury, revenue/receipts, purchase/disbursements, and internal reporting.

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements or to administer federal financial assistance programs in accordance with applicable laws and regulations.



1. \* Certain documentation expected to be found in personnel files was not always present. Specifically, we noted instances in which Forms I-9, which document employment eligibility, were filled out incorrectly; and instance of an unsigned time sheet; and two instances in which salaries were charged to budgets other than those documented in the personnel files and payroll authorization forms.

Documentation filed in personnel files comprises much of the information necessary to provide the audit trail concerning the organization's largest expenditure. Additionally, an organization constrained to operate within various budgetary limits which change throughout the year must take all the more care in carefully documenting which budgets are to be charged with an individual's payroll expense. Lapses may lead to cost disallowances.

Documentation in personnel files should be maintained as meticulously as possible. Personnel files should contain the employment application, pay rates, changes in pay rates and position, authorizations for payroll deductions, Form W-4, employment eligibility, and termination data where applicable.

2. In reviewing compliance reports prepared for certain funding sources, we noted instances in which reported items deviated from the organization's actual programmatic records. In one case, the report preparer was unable either to explain or reproduce certain items from the report.

The programmatic reports provide much of the information funding sources might use to determine if their grant is properly administered and if programmatic goals are met.

We recommend that programmatic reports be reviewed either by the program director or executive director and that particular attention be given to the relationship between the items reported and the requirements in the particular grant contract.

A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in the amounts that would be material in relation to the financial statements being audited or that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described above is a material weakness.

\* This report is intended for the information of the board of directors and management. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

*Sol Mank + Company*

Baldwin, New York  
4 October 1991

SOL MASCH & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

1830 GRAND AVENUE

BALDWIN, NEW YORK 11510

INDEPENDENT AUDITOR'S REPORT ON  
COMPLIANCE WITH REQUIREMENTS APPLICABLE TO  
NONMAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS

To the Board of Directors  
Aspira, Inc. of New Jersey

In connection with our audit of the 1991 financial statements of Aspira, Inc. of New Jersey (a nonprofit organization), and with our obtaining an understanding of the Organization's internal control structure elements related to administering federal financial assistance programs, as required by the Office of Management and Budget Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Organizations," we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended June 30, 1991. As required by Circular A-133, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed and eligibility that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Organization's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that Aspira, Inc. of New Jersey had not complied, in all material respects, with those requirements.

This report is intended for the information of the board of directors and management. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the board of directors, is a matter of public record.

*Sol Masch & Company*

Baldwin, New York  
4 October 1991